

estimate of cost for these items over the life of the contract. The amounts necessary to perform each task will be negotiated and obligated with each Task Order.

(3) The Total DPPH represented in Attachment 4, Table 4, represent the maximum labor hours by labor category to be required to fulfill efforts executed under this contract. The labor hours allocated in each labor category are estimates for pricing and evaluation purposes. The offeror shall price all labor hours by labor category for each fiscal year and surge. The offeror must propose against the exact number of hours by each labor category for each fiscal year and surge. The rates may be listed with zero hours; however, each of those hourly rates may not exceed the highest rate against which fully supported numbers of hours have been distributed in that labor category. Apparent attempts to “game” the calculation of evaluated price through unsupported labor hour distribution will be considered unrealistic. All rates proposed will be fixed at award. Offerors are reminded that distribution of labor hours must be consistent with teaming agreements, subcontracting plan, the overall proposal approach, and FAR 52.219-14, Subcontracting (50% rule). Distribution of hours must be the offeror’s best estimate of the source intended to be used in execution of the contract. Distribution of labor hours will be evaluated for consistency with the approach proposed for realism and cost risk.

(4) Offerors should distribute the estimated direct productive person hours (DPPH) for each labor category based on their best estimate given historical data, the availability of personnel, expertise and the offeror’s plan and/or teaming agreements to use each of their subcontractors or team members. The offeror must clearly explain its rationale for distribution of the labor. Distribution of labor hours must be consistent with the entire proposal. Large business offerors’ proposed DPPH distribution among team members must track to their subcontracting plan. For the small business set-aside, offerors’ proposed DPPH distribution must be consistent with the requirement in FAR 52.219-14, Limitations on Subcontracting (fifty percent rule). The Government will assess the offeror’s realistic distribution of labor hours per Section M4, paragraph 4, PRICE AREA.

(4) Overview of Attachment 4, Table 1 through Table 5:
Table 1 - (a through e) – Provide a matrix that will document the contractor’s and each subcontractor’s labor category titles if different from the government’s labor category titles. Document the estimated number of hours distributed between the prime and each subcontractor(s) based on the offeror’s teaming arrangement (expand columns in Attachment 4 Tables to include all subcontractors). The contractor shall distribute hours based on the its plan and/or teaming agreements to use each subcontractor or team member, historical data, availability of personnel, and expertise in the SOO areas. The offeror shall prepare a table for each fiscal year. The offeror shall mark an “N/A” in each Labor Category the offeror chooses not to utilize for a specific team member but must provide at least one rate for every labor category. If the contractor intends to use resources at different locations or cost centers which have significantly different rates (i.e. high cost areas), each rate with estimated number of DPPH should be included in the pricing format. The offeror should calculate the total cost for each fiscal year by labor category. To determine the Grand Total Dollars, the contractor shall calculate the total price for each labor category (prime, subcontractor, low cost, high cost, inclusive) for exactly the number of the DPPH indicated for each labor category. The Grand Total Dollars column should be totaled which shall represent the total labor costs for each fiscal year.

Table 2 – Provide the prime’s and each subcontractor’s labor rate per labor category and break down the labor rate by its price elements. Table 2.a. break down of labor rates for subcontractors may be submitted directly to the government, but the prime must complete table 2.b. for all team members.

Table 3 – Provide the contractor’s labor rates per labor category for the Surge Option DPPH. This table shall be prepared with all rate and hour information for both the prime and all subcontractor pricing information. The offeror shall use the same rates for fiscal year 2006 to price the Surge Option. Using this fiscal year pricing will represent the maximum amount the government will pay for exercising the surge option.

Table 4 – Provide the contractor’s total estimated labor price (DPPH extended by the offeror’s rates) for the contract period, including all fiscal years and the surge option. This calculation will determine the estimated labor price. It will be added to the estimated costs for material and travel to determine the total estimated cost of the offer and the ceiling cost of the contract(s) awarded from this source selection.

Table 5 – (Attachment 3, Contract Rate Table) Provide the total hourly rate for the prime and each subcontractor (include high cost area rates, if proposed) for each year of performance. Surge option DPPH will be ordered at the rate applicable to the task order performance period. This table constitutes the fixed price labor rates that will be used to price task orders. Table 5 will be incorporated into the contract at award as Attachment 3.